

Message Text

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TO AMEMBASSY JIDDA PRIORITY

AMEMBASSY KUWAIT PRIORITY

AMEMBASSY ABU DHABI PRIORITY

AMEMBASSY TENRAN PRIORITY

AMEMBASSY CAIRO PRIORITY

AMEMBASSY AMMAN PRIORITY

USINT DAMASCUS PRIORITY

USINT ALGIERS PRIORITY

AMEMBASSY LONDON PRIORITY

AMEMBASSY PARIS PRIORITY

AMEMBASSY BRUSSELS PRIORITY

AMEMBASSY BONN PRIORITY

AMEMBASSY ROME PRIORITY

AMEMBASSY TOKYO PRIORITY

AMEMBASSY CARACAS PRIORITY

AMEMBASSY TEL AVIV PRIORITY

AMEMBASSY MOSCOW PRIORITY

AMEMBASSY BEIRUT PRIORITY

AMEMBASSY TUNIS PRIORITY

AMEMBASSY RABAT PRIORITY

AMEMBASSY TRIPOLI PRIORITY

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C O R R E C T E D C O P Y (OMISSION LINE 20TH ANSWER)

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E.O. 11652: N/A

TAGS: PFOR, US, SA

SUBJECT: ASSISTANT SECRETARY ATHERTON'S PRESS

BRIEFING RE

SAUDI-US ANNOUNCEMENT FOR JOINT COOPERATION - SATURDAY,
JUNE 8, 1974

1. FOLLOWING ARE EXCERPTS FROM BACKGROUND PRESS BRIEFING
WITH ASSISTANT SECRETARY ATHERTON FOLLOWING SIGNING OF
JOINT STATEMENT ON SAUDI ARABIAN-U.S. COOPERATION. (TEXT
SENT BY WIRELESS FILE.)

2. MR. ATHERTON: I THINK THE MOST USEFUL THING I CAN DO
IS GET TO QUESTIONS VERY QUICKLY. BUT LET ME JUST MAKE
A COUPLE OF PRELIMINARY OBSERVATIONS.

I'M SURE YOU'VE ALL HAD TIME TO READ THE TEXT OF THE JOINT
STATEMENT THAT WAS ISSUED THIS MORNING, FROM WHICH I
THINK IT'S VERY CLEAR THAT IT COVERS THE WHOLE RANGE OF
U.S.-SAUDI RELATIONS IN ALL ASPECTS AND IN THE CONTEXT OF
OUR JOINT INTERESTS IN THE REGION AS A WHOLE.

I'VE SEEN SOME REPORTS THAT TEND TO FOCUS RATHER NARROWLY
ON THIS -- AS HAVING BEEN PRIMARILY CONCERNED WITH ENERGY,
WITH OIL -- WITH ARRANGEMENTS FOR THE SUPPLY OF OIL TO
THE UNITED STATES. I THINK IT'S CLEAR FROM THE TEXT OF
THE STATEMENT -- AND LET ME UNDERLINE THIS -- THAT THAT
KIND OF AN INTERPRETATION REALLY MISSES THE POINT AND

IS MUCH TOO NARROWLY FOCUSED.

THE SECOND GENERAL OBSERVATION I WOULD MAKE IS THAT
THESE TALKS AND THE STATEMENT THAT HAS EMERGED FROM
THE TALKS ARE VERY MUCH IN THE FRAMEWORK OF THE OVERALL
DIPLOMACY THAT THE SECRETARY IS CONDUCTING, THAT THE
ADMINISTRATION IS CONDUCTING, IN THE MIDDLE EAST. THE
WHOLE THRUST OF THE RELATIONSHIP WITH THE SAUDIS, WHICH
WE ARE DEEPENING AND EVOLVING IN MORE CONCRETE WAYS, IS
TO BE SUPPORTIVE OF THE OVERALL DIPLOMATIC EFFORTS OF
THE UNITED STATES IN THE MIDDLE EAST.

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THE THIRD GENERAL OBSERVATION I WOULD MAKE IS THAT WE
LOOK UPON THIS STATEMENT THAT WAS SIGNED THIS MORNING
REALLY AS ESTABLISHING A PATTERN FOR OUR BILATERAL RE-
LATIONS WITH OTHER COUNTRIES IN THE ARAB WORLD. IT'S,
IN THAT SENSE, A KIND OF PROTOTYPE, I WOULD SAY, FOR
THE KIND OF COOPERATIVE RELATIONSHIPS THAT WE ARE
PREPARED TO ENTER INTO WITH OTHER COUNTRIES -- TO THE
EXTENT THAT THEY ARE INTERESTED IN DOING SO.

Q CAN YOU EXPAND ON WHAT YOU JUST SAID? ACCORDING TO
YOU, THIS IS A PATTERN FOR EXPANDING RELATIONSHIPS
ELSEWHERE IN THE ARAB WORLD. HAVE WE BEGUN PRE-
LIMINARY TALKS WITH ANYONE?

A WE HAVE NOT GOTTEN INTO ANY DETAILED NEGOTIATIONS AT THIS POINT WITH ANY OF THE OTHER ARAB COUNTRIES, BUT WE HAVE HAD SOME PRELIMINARY FEELERS -- I THINK I WOULD PUT IT THAT WAY -- THAT THERE MAY BE INTEREST IN SOME OTHER COUNTRIES. I DON'T WANT TO NAME THEM BY NAME AT THIS POINT BECAUSE IT WOULD BE PREMATURE.

Q YOU'VE ANNOUNCED WITH EGYPT.

A WE'VE ANNOUNCED THAT WE WOULD BE PREPARED TO MOVE AHEAD WITH EGYPT. WELL, I MIGHT SAY IT'S OBVIOUS THAT JORDAN WOULD BE A POSSIBILITY, FOR EXAMPLE.

Q WHAT ABOUT THE GULF STATES? ARE YOU THINKING PRIMARILY OF THE GULF STATES, OR ARE YOU THINKING OF OTHER COUNTRIES IN THE MIDDLE EAST -- LIKE JORDAN, SYRIA, LEBANON?

A I WOULD NOT EXCLUDE ANY IN THE MIDDLE EAST OR NORTH AFRICA. IM' NOT SAYING THAT WE'RE GOING TO END UP WITH ANYTHING THIS ELABORATE WITH ANY OR ALL OTHER COUNTRIES, BUT I WOULD SIMPLY WANT TO LEAVE IT OPEN AS SOMETHING THAT WE WOULD BE PREPARED TO CONSIDER SYMPATHETICALLY

TO THE EXTENT OTHERS EXPRESSED AN INTEREST.

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THE EGYPTIANS HAVE, OF COURSE, ALREADY; AND WE'VE SAID THAT WE'RE PREPARED TO DO THIS.

Q BY STRENGTHENING TIES WITH SAUDI ARABIA, AREN'T WE TRYING TO ASSURE A STEADY SUPPLY OF OIL?

A IN THE TALKS, THERE WAS A REVIEW OF THE OVERALL OIL SUPPLY AND DEMAND SITUATION IN THE WORLD. THERE WAS NO DISCUSSION OF BILATERAL U.S.-SAUDI ARRANGEMENTS TO ASSURE SPECIFIC SUPPLIES OF OIL TO THE UNITED STATES.

Q ISN'T OUR MOTIVE -- IF THAT'S A GOOD WORD -- TO MAKE SURE THAT WE DON'T FACE WHAT WE FACED AGAIN BY MAKING THE RELATIONSHIP SO INVOLVED AND SO INTRICATE AND SO CLOSE THAT THE FRIENDSHIP AND THE RELATIONSHIP WILL BE SUCH THAT AN OIL SQUEEZE WON'T BEFALL US AGAIN. ISN'T THAT WHAT THIS IS ALL ABOUT, REALLY?

A WELL, LET ME SAY, FIRST OF ALL, WHEN YOU SAY "OUR MOTIVE" -- IT HAS THE IMPLICATION THAT WE WERE THE ONES THAT PUSHED THIS. THIS WAS VERY MUCH THE RESULT OF, I THINK, A MUTUAL DESIRE TO ENTER INTO SUCH A RELATION-

SHIP; AND IT WAS NOT AN INITIATIVE JUST FROM ONE SIDE AT ALL.

NOW, QUITE CLEARLY, THE SUPPLY OF OIL IN ADEQUATE QUANTITIES AND ON A RELIABLE BASIS -- NOT JUST TO THE UNITED STATES BUT TO THE WORLD -- IS AN IMPORTANT INTEREST THAT WE HAVE IN THE MIDDLE EAST AND IN THE OIL-PRODUCING COUNTRIES -- AND PARTICULARLY IN SAUDI ARABIA, BECAUSE IT HAS THE WORLD'S LARGEST PROVEN RESERVES.

OBVIOUSLY, HAVING THE KIND OF BROAD, FIRMLY BASED COOPERATIVE RELATIONSHIPS, RECOGNIZING THE MUTUAL INTEREST IN THESE RELATIONSHIPS, HELPS CREATE AN ATMOSPHERE FOR STABILITY IN THE SUPPLY OF OIL. IT WOULD BE NAIVE TO PRETEND THAT THAT WASN'T A FACTOR. ALL I'M TRYING TO SAY IS THAT IT IS MUCH BROADER THAN THAT, AND THIS IS PART OF AN OVERALL RELATIONSHIP AND IT'S A PART OF AN OVERALL ATTEMPT TO MOVE TO RELATIONSHIPS IN THE MIDDLE EAST WHICH WILL BE BENEFICIAL TO US, BUT ALSO
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BENEFICIAL GENERALLY TO THE WORLD. IT IS NOT AN EXCLUSIVE APPROACH.

Q ROY, WAS THERE ANY TALK -- WAS THERE ANY DISCUSSION

ABOUT THE POSSIBILITY OF THE SAUDIS INCREASING THEIR OUTPUT OF OIL -- WHICH IS, OF COURSE, A MAJOR CONCERN TO A LOT OF NATIONS -- OR DID THE SAUDIS MAKE ANY COMMITMENTS ABOUT THIS?

A LET ME SAY: NOT THAT I'M AWARE OF, BERNIE.

NOW, IN ADDITION TO THE REGULAR FORMAL TALKS, THERE WERE LOTS -- AS THERE ALWAYS ARE ON SUCH OCCASIONS -- OF SIDE TALKS, PRIVATE DISCUSSIONS AT DINNER, AND TIMES LIKE THAT. AND I CAN'T SAY WITH ASSURANCE THAT THE QUESTION OF SAUDI PRODUCTION WAS NOT DISCUSSED; BUT IT WAS NOT A FOCUS ON THE AGENDA OR OF THE FORMAL DISCUSSIONS, IN ANY SENSE.

DARIUS?

Q ROY, COULD YOU EXPAND A LITTLE ON THIS FOURTH SENTENCE -- NAMELY, "SUPPLY OF THE KINGDOM'S REQUIREMENTS FOR DEFENSIVE PURPOSES"? WHAT'S INVOLVED IN THAT? WHAT WAS DISCUSSED? ANY DECISIONS THAT WERE TAKEN?

A THE FOCUS WAS ON A REVIEW OF THE VERY MANY, AND VERY VARIED -- AND, IN SOME CASES, FAIRLY LARGE-SCALE --

ONGOING PROGRAMS THAT WE HAVE IN SAUDI ARABIA IN THE MILITARY SUPPLY FIELD. IT WAS NOT ON NEW DEPARTURES OR VAST NEW PROGRAMS OR NEW DECISIONS. I'M NOT SAYING THAT THERE AREN'T ITEMS THAT ARE UNDER DISCUSSION ON WHICH DECISIONS HAVEN'T BEEN TAKEN YET. THERE ARE. BUT, BASICALLY, IT WAS SIMPLY A REVIEW OF THE STATUS OF ONGOING PROGRAMS, WHICH I THINK SID SOBER DISCUSSED WHEN HE HAD HIS MEETING WITH SOME OF YOU, AT LEAST, BEFORE FAHD ARRIVED.

Q COULD I JUST FOLLOW THAT UP WITH ONE MORE QUESTION?
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IF YOU RECALL, ROY, SOMETIME AGO THERE WERE TECHNICAL TALKS ON THE SAUDIS CONSIDERING, AT LEAST, PURCHASE OF PHANTOMS AND OTHER PLANES. WHAT'S THE STATUS OF THAT? WAS THAT INVOLVED IN THE NEGOTIATIONS HERE NOW?

A THAT WAS NOT INVOLVED. WE HAVE A PROGRAM ALREADY GOING FORWARD ON THE SALE OF F-5'S TO SAUDI ARABIA.

ON PHANTOMS, AS YOU KNOW, WE INDICATED A WILLINGNESS TO PROVIDE PHANTOMS, IF THE SAUDIS SHOULD DECIDE THAT THEY WERE INTERESTED. THIS WAS WELL BACK BEFORE THE OCTOBER WAR. THAT STANDS WHERE IT WAS. THE SAUDIS

HAVE NOT COME TO US AND SAID: "NOW WE WANT TO TALK MORE ABOUT THIS." THE OFFER IS ON THE TABLE AND IT HAS NOT BEEN RAISED. IT WAS NOT, TO THE BEST OF MY KNOWLEDGE, DISCUSSED AT ALL IN THE CONTEXT OF THE PRESENT VISIT.

Q BUT STILL ON THAT SUBJECT THOUGH, I DON'T HAVE THE STATEMENT WITH ME BUT IF IT'S READ LITERALLY AND CAREFULLY, THERE'S NOTHING IN IT THAT SAYS THERE WILL BE AN INCREASE IN U.S. MILITARY AID TO SAUDI ARABIA. IT SPEAKS OF REVIEWING -- IF YOU READ THE ECONOMIC SECTION, OF COURSE THERE ARE ALL SORTS OF SPECIFIC THINGS THAT ARE GOING TO HAPPEN AND THEY'RE ALL POSITIVE. THERE IS NOTHING -- THE MILITARY IS SIDE-BRUSHED IN ABOUT A PARAGRAPH.

SO IN DEALING WITH IT -- IN TRYING TO DEAL WITH IT HONESTLY -- ARE YOU SUGGESTING THAT WE SHOULDN'T CONCLUDE FROM THIS THAT WE'RE GOING TO CONTRIBUTE TO THE SAUDI ARABIAN MILITARY? ARE YOU SUGGESTING WE JUST LEAVE IT OPEN AS AN OPEN QUESTION? -- BECAUSE IT IS OPEN IN THE STATEMENT.

A WELL, FIRST, A QUESTION OF TERMINOLOGY. WE SHOULDN'T SPEAK OF "MILITARY AID TO SAUDI ARABIA."

Q NO. "AID" IS THE WRONG WORD AND I WOULDN'T --

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A BECAUSE OUR SUPPLY ARRANGEMENTS WITH SAUDI ARABIA ARE ON A SALES BASIS, AS YOU KNOW.

Q YES. I MEAN IT IN ANOTHER CONTEXT.

A I THINK THAT THE THRUST OF YOUR QUESTION IS JUST ABOUT RIGHT. THE EMPHASIS HERE WAS ON ESTABLISHING NEW MECHANISMS AND NEW INSTRUMENTALITIES ON THE ECONOMIC, INDUSTRIALIZATION --

A --MANPOWER ASSISTANCE, SCIENCE AND TECHNOLOGY, AND RESEARCH SIDES.

ON THE MILITARY SUPPLY SIDE, WE'VE BEEN IN THIS BUSINESS WITH SAUDI ARABIA FOR A GREAT MANY YEARS; AND MOST OF THE PRESENT MAJOR PROGRAMS THAT ARE GOING FORWARD HAVE ALREADY BEEN AGREED UPON AND THEY'RE SIMPLY IN VARIOUS STAGES OF IMPLEMENTATION.

WE HAVE A MILITARY SURVEY MISSION IN SAUDI ARABIA AT THE PRESENT TIME, WHICH WILL BE REPORTING BACK ON ITS

FINDINGS AFTER IT'S COMPLETED THE SURVEY AND COMPLETED ITS TALKS WITH THE SAUDI AUTHORITIES. OUT OF THAT MAY COME SOME RECOMMENDATIONS OR REQUESTS FOR FURTHER NEW PROGRAMS. I SIMPLY DON'T KNOW. IT'S PREMATURE TO SAY.

CERTAINLY, THE INTENT IS TO CONVEY THE POLICY OF CONTINUING THIS MILITARY SUPPLY RELATIONSHIP, WITHOUT PREJUDGING THE SPECIFICS OF IT, ON THE BASIS OF SOME STUDIES THAT ARE NOT YET COMPLETED.

Q MR. ATHERTON, HAVE THE DISCUSSIONS PRODUCED ANYTHING THAT THE PRESIDENT AND THE KING MIGHT FORMALIZE NEXT WEEK?

A I THINK THAT WHAT HAS BEEN ANNOUNCED TODAY REALLY HAS FORMALIZED THE NEW RELATIONSHIP -- OR THE NEW PHASE IN AN OLD RELATIONSHIP. THE IMPORTANT FACT IS THAT THE PRESIDENT IS GOING TO SAUDI ARABIA, AND THAT IN ITSELF I

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THINK IS THE SIGNIFICANCE OF THAT EVENT.

Q MR. ATHERTON, WAS THERE ANY DISCUSSION OF SAUDI ARABIA'S RELATIONSHIP WITH IRAN?

A THERE WAS CERTAINLY DISCUSSION ABOUT THE PROBLEM OF REGIONAL COOPERATION AND THE SAUDI ROLE IN COOPERATION WITH OTHER STATES IN THE PENINSULA AND THE GULF. AND IRAN IS CERTAINLY ONE OF THESE. ALL I'M SAYING IS THAT I'M NOT AWARE OF ANYTHING THAT FOCUSED EXCLUSIVELY ON THE QUESTION OF SAUDI-IRANIAN RELATIONS AS DISTINGUISHED FROM THE GENERAL QUESTION OF SECURITY IN THE REGION AS A WHOLE, THE UNDERLINING OF OUR APPROACH -- OF OUR POLICY -- WHICH IS THAT WE FEEL THAT THE RESPONSIBILITY FOR SECURITY IN THIS AREA IS ONE THAT OUGHT TO BE ASSUMED BY THE COUNTRIES OF THE AREA. AND, OBVIOUSLY, IRAN AND SAUDI ARABIA ARE THE TWO PRINCIPAL POWERS ON THE TWO SIDES OF THE GULF.

NOW, THIS IS IMPLICIT IN ALL OF IT. BUT THE QUESTION OF IRANIAN-SAUDI BILATERAL RELATIONS PER SE -- THE STATE OF THEM AND SO FORTH -- TO THE BEST OF MY KNOWLEDGE, WAS NOT A PRINCIPAL FOCAL POINT -- IF IT CAME UP AT ALL.

IN OTHER WORDS, THE QUESTION OF WHETHER OR NOT THERE ARE PROBLEMS IN SAUDI-IRANIAN RELATIONS, WHETHER IT'S WORKING AS WELL AS IT SHOULD AND SO FORTH, WAS NOT REALLY GONE INTO IN THIS CONTEXT.

Q HAVE WE URGED NOW THAT THERE SHOULD BE CLOSER RELATIONS? AND, IF SO, WHAT WAS THE SAUDI RESPONSE, IF ANY?

A WELL, YOU KNOW, URGING THAT THERE SHOULD BE CLOSER RELATIONS HAS THE IMPLICATION THAT PERHAPS THINGS AREN'T AS THEY SHOULD BE; AND I WOULDN'T WANT TO LEAVE THAT IMPRESSION. WE URGED THAT THE SAUDIS CONTINUE TO TRY TO DEEPEN AND STRENGTHEN THEIR RELATIONS WITH ALL OF THEIR NEIGHBORS IN THE PENINSULA AND IN THE GULF. WE DID NOT PRESS ANY SPECIFIC FORMS OF COOPERATION WITH IRAN OR WITH ANYBODY ELSE. IT WAS A GENERAL STATEMENT
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OF THE KIND OF POLICY THAT WE WOULD LIKE TO SEE SAUDI ARABIA FOLLOW IN ITS ROLE OF LEADERSHIP -- AND I WOULD ADD, PERHAPS, A GROWING ROLE OF LEADERSHIP IN THE AREA -- ONE, THAT IT IS FAIRLY RECENT. THE SAUDIS HAVE ONLY BEGUN, IN THE LAST FEW YEARS, TO REALLY RECOGNIZE AND TO ASSERT THE KIND OF LEADERSHIP WHICH THEIR POSITION IN THE AREA -- THEIR RESOURCES -- REALLY MAKE INCUMBENT UPON THEM.

Q DID THEY INDICATE ANY ATTITUDE OR CONCERN ABOUT THE ROLE THAT IRAN IS PLAYING IN THE AREA?

A NOT THAT I'M AWARE OF AT ALL.

Q AT THIS EARLY STAGE, CAN YOU MAKE ANY SORT OF A GUESS AS TO WHAT ADDITIONAL COST THIS MIGHT INVOLVE FOR US, FOR THE UNITED STATES -- ALL THESE PROJECTS?

A WELL, YOU KNOW, AS A GENERAL STATEMENT, I DON'T THINK THIS IS GOING TO BE A BURDEN ON THE U.S. TAXPAYER. THE SAUDIS HAVE THE FINANCING FOR PROJECTS. WHAT THEY NEED IS ASSISTANCE IN PUTTING THAT FINANCING TO EFFICIENT AND PRODUCTIVE PURPOSES, DRAWING UPON TECHNOLOGICAL EXPERTISE -- MANAGEMENT EXPERTISE -- THAT CAN BE PROVIDED FROM BOTH THE GOVERNMENT AND THE PRIVATE SECTOR IN THIS COUNTRY. BUT THIS IS NOT ENVISAGED. NONE OF THESE ARE ENVISAGED AS PROGRAMS THAT ARE GOING TO BE FINANCED OR UNDERWRITTEN FINANCIALLY BY THE UNITED STATES GOVERNMENT.

BASICALLY, THE PATTERN THAT HAS BEEN ESTABLISHED OVER THE YEARS, WHEN WE HAVE HAD TECHNICAL TEAMS OF ONE KIND OR ANOTHER GO TO SAUDI ARABIA, IS THAT THEY GO ON A CONTRACT BASIS -- AND THE SAUDI ARABIAN GOVERNMENT PAYS FOR THE COST AND THE EXPENSES OF THESE PEOPLE AND THESE TEAMS WHILE THEY'RE THERE. THIS IS ALREADY THE PATTERN.

IT'S SIMPLY GOING TO BECOME, OBVIOUSLY, EXPANDED AND FORMALIZED SOMEWHAT MORE. BUT I DON'T SEE ANY REASON TO ASSUME THAT THAT ASPECT OF IT IS GOING TO CHANGE IN ANY WAY.

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Q AND DID THE SAUDIS ASK THAT WE MAKE ANY COMMITMENT VIS-A-VIS THE ARAB-ISRAELI CONFLICT?

A NOT IN ANY OF THE TALKS THAT I WAS AWARE OF; NO. THE FOCUS WAS ON THESE BILATERAL RELATIONS.

NOW, LET ME SAY, JUST BY WAY OF A LITTLE ELABORATION, WHAT I THINK WAS SAID VERY CLEARLY BY THE SECRETARY IN HIS PRESS CONFERENCE THE OTHER DAY -- THAT THE UNITED STATES HAS GOT, REALLY, TWO PRINCIPAL INTERESTS IN THIS AREA. ONE IS TO HELP BRING ABOUT A PEACEFUL SOLUTION OF THE ARAB-ISRAEL CONFLICT -- TO CONTINUE TO BE ENGAGED IN THE PROCESS OF MAKING PROGRESS ON THAT PROBLEM -- AND, SECOND, THAT THIS, IN TURN, CREATES CONDITIONS IN WHICH WE CAN MOVE TO A BETTER AND BROADER BASED RELATIONSHIP WITH ALL OF THE COUNTRIES OF THE

AREA.

OBTAINING THE STATE OF PROGRESS, OR NO PROGRESS, ON THE ARAB-ISRAEL CONFLICT, AFFECTS THE OVERALL ATMOSPHERE IN WHICH OUR BILATERAL RELATIONS DEVELOP. BUT THERE WAS NO IMPLICATION OF A LINKAGE OF ONE TO THE OTHER BY THE SAUDIS IN ANY OF THE DISCUSSIONS THAT WE HAD WITH THEM.

Q NOR WAS THERE -- ISN'T IT SO -- THERE WASN'T ANY SPECIFIC REFERENCE TO SPECIFIC ISRAELI WITHDRAWAL OBJECTIVES?

A NO, NO. THERE WAS ABSOLUTELY NO --

Q THERE WASN'T A WHOLE LOT OF TALK ABOUT JERUSALEM, FOR INSTANCE, WAS THERE?

A NO; THERE WAS NONE OF THIS. THERE WAS A GENERAL REVIEW OF THE STATE OF OUR DIPLOMATIC EFFORTS -- WHICH WERE GIVEN FULL SUPPORT BY HIS ROYAL HIGHNESS IN THE TALKS -- AND, OBVIOUSLY, THE STATEMENT ITSELF CONTAINS AN EXPRESSION OF HOPE THAT THIS WILL CONTINUE AND AN EXPRESSION BY US OF OUR INTENTION TO CONTINUE.
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THIS IS PART OF THE BACKGROUND, BUT IT WAS NOT BROUGHT UP IN ANY KIND OF CONDITIONAL OR LINKED WAY AT ALL.

Q IS IT FAIR TO SAY THAT THIS MILITARY COMMISSION IS A UNIQUE ARRANGEMENT, THAT WE DON'T HAVE ANY SIMILAR ARRANGEMENTS WITH OTHER COUNTRIES? AND THEN THE OTHER QUESTION CAN WE INFER THAT THE SUPPLY OF OIL IS GOING TO HANDLE THE QUESTION OF PRICE IN THE LONG RUN, OR IN THE RELATIVELY SHORT RUN?

A WELL, I'M NOT AWARE OF ANY PRECEDENT -- PRECISE PRECEDENT -- FOR THE COMMISSION THAT'S BEEN ESTABLISHED. IN A WAY, THIS STATEMENT AND THE ARRANGEMENTS THAT FLOW FROM THE TALKS THAT WERE HELD HERE ARE CHARTING A NEW COURSE, TO A VERY LARGE EXTENT.

ON THE SECOND QUESTION, THE BASIC POLICY OF THE SAUDI GOVERNMENT HAS BEEN TO PRODUCE -- AT A RATE WHICH WILL AT SOME POINT, AT EASEN STABILIZE, AND POSSIBLY BRING DOWN, PRICES -- AS I UNDERSTAND IT.

I THINK THE SAUDIS, BASICALLY, WOULD LIKE TO INCREASE THEIR PRODUCTION AND, IN THE PROCESS, HELP RELIEVE THE PRESSURE ON BOTH THE PRICE AND SUPPLY SITUATION IN

THE WORLD MARKET. THERE ARE A NUMBER OF PEOPLE IN SAUDI ARABIA WHO ARE CONCERNED THAT THEY WILL NOT BE ABLE TO FIND ADEQUATE USE FROM THE INCOME FROM VASTLY INCREASED PRODUCTION; AND THAT'S, OBVIOUSLY, ONE OF THE PURPOSES OF THIS EFFORT THAT WE'RE UNDERTAKING -- TO HELP GIVE THEM A SENSE OF CONFIDENCE THAT IN INCREASING PRODUCTION, IN HELPING TO MEET WORLD DEMAND -- IN WHICH I THINK THEY HAVE A VERY RESPONSIBLE APPROACH -- THAT THEY WILL NOT SUFFER IN THE PROCESS.

Q ROY, THIS MIGHT BE A VERY NAIVE QUESTION, BUT I'M A BIT PUZZLED. IF THE SAUDIS HAVE THE FINANCES, WHY IS IT NECESSARY TO HAVE THESE PARTICULAR NEGOTIATIONS AND THIS DOCUMENT? WHY COULDN'T THEY GO OUT IN THE OPEN MARKET AND BUY THEIR ECONOMICS AND TECHNOLOGY AND LIMITED OFFICIAL USE
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INDUSTRY? WHY DO IT ON A GOVERNMENT-TO-GOVERNMENT BASIS?

A WELL, THIS IS NOT EXCLUSIVELY GOVERNMENT-TO-GOVERNMENT. WE'VE GOT A GOVERNMENT-TO-GOVERNMENT STATEMENT AND SOME GOVERNMENT-TO-GOVERNMENT MECHANISMS WHICH HAVE BEEN ESTABLISHED, BUT IT IS NOT TO THE EXCLUSION OF THEIR CONTINUING TO GO INTO THE PRIVATE SECTOR. IT'S GOING TO HELP THEM IN AN AREA WHERE WE HAVE A LOT MORE EXPERIENCE -- A LOT MORE TRAINED PEOPLE THAT CAN GIVE THEM ADVICE THAN THEY HAVE.

ONE OF SAUDI ARABIA'S PRINCIPAL PROBLEMS IS A FAIRLY

SMALL BASE OF EXPERIENCED, TRAINED, SOPHISTICATED MANAGERS -- FINANCIAL MANAGERS, INDUSTRIAL MANAGERS, MANAGERS OF BUREAUCRACY, AND SO FORTH. AND THIS IS REALLY A DEVICE TO HELP THEM USE -- TAP -- THE RESOURCES THAT ARE AVAILABLE, BOTH IN GOVERNMENT AND IN THE PRIVATE SECTOR, IN THIS COUNTRY.

Q BUT IF WE HELP CREATE A MECHANISM FOR INVESTING THE INCOME --

A WELL, FIRST, LET ME STRAIGHTEN ONE THING OUT. WE HAVEN'T CREATED A MECHANISM FOR HELPING THEM INVEST, IN A FORMAL SENSE. WE HAVE CREATED MECHANISMS FOR HELPING THEM FIND THE SOURCES THEY NEED TO HELP WITH THEIR INDUSTRIALIZATION -- AND THE DEVELOPMENT OF MANPOWER AND RESEARCH AND TECHNOLOGY.

IF YOU'LL NOTE, THE ONE REFERENCE IN HERE TO COOPERATION IN THE FIELD OF FINANCE IS LEFT IN VERY GENERAL TERMS -- IN TERMS OF, IN EFFECT, CONTACTS BETWEEN THEIR MONETARY AUTHORITIES AND OUR MONETARY AUTHORITIES --

MEANING THE DEPARTMENT OF THE TREASURY. AND, OBVIOUSLY,
WE AND THEY HAVE AN INTEREST IN MONETARY STABILITY
IN THE WORLD. AND THESE CONTACTS ARE DESIGNED TO
STAY IN CLOSE DIALOGUE WITH THEM ON THE PROBLEM. BUT
WE'RE NOT TRYING TO SET UP A STRUCTURE -- A GOVERN-
MENTALLY CONTROLLED STRUCTURE -- FOR THE INVESTMENT
OF SAUDI RESOURCES.
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Q WAS THERE ANY DISCUSSION ABOUT PALESTINIANS AND
FINDING A HAVEN FOR THEM?

A NO, NO. WE DIDN'T GET INTO THAT KIND OF DETAIL AT
ALL IN THESE TALKS.

Q YOU TALKED ABOUT THE PROTOTYPES FOR OTHER ARAB
STATES. DO YOU ALSO INCLUDE THE MILITARY COMMITTEES?
THE IMPLICATION THERE IS THAT WE'D BE SELLING ARMS TO
OTHER ARAB STATES. HAS THAT DECISION BEEN MADE?

A NO. I DIDN'T MEAN TO LEAVE THAT IMPRESSION. I
WAS REALLY SPEAKING, BASICALLY, OF THE ECONOMIC
COMMISSION AND THE ECONOMIC WORKING GROUPS. IN SAUDI
ARABIA WE ALREADY HAVE A HIGHLY DEVELOPED RELATIONSHIP
IN THE MILITARY SUPPLY FIELD.

IN A WAY, THIS IS SIMPLY PUTTING A KIND OF UMBRELLA
ON SOMETHING THAT ALREADY EXISTS. OUR DECISION ON
CASE-BY# 3 ?- 8 .

WHEN I SAID "PROTOTYPE," I DID NOT MEANS TO IMPLY THAT
ANY OTHER ARRANGEMENTS ARE GOING TO BE CARBON COPIES
OF THIS ONE. IT'S MORE THE CONCEPT THAN THE SPECIFICS
THAT I HAD REFERENCE TO.

Q TO FOLLOW THAT UP, THE ONLY THING THAT WAS REALLY
SPELLED OUT WITH RESPECT TO THE SECURITY COMMISSION
IS IN REFERENCE TO TRAINING. SO, PRESUMABLY, THERE'S
GOING TO BE SOME STUDY CARRIED OUT TO FIGURE OUT WAYS
IN WHICH WE COULDHHELP THEM TRAIN PILOTS AND WHAT NOT.

A WE ALREADY, OF COURSE, ARE INVOLVED, AS A RESULT
OF 20 YEARS' ASSOCIATION IN HELPING THE SAUDIS
MODERNIZE THEIR DEFENSE ESTABLISHMENT, IN TRAINING
PROGRAMS.

Q BUT IT'S NEVER BEEN INSTITUTIONALIZED TO THIS
EXTENT. SO THIS SUGGESTS AN EXPANSION OF IT, DOESN'T
IT?
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A IT SHOULDN'T BE INTERPRETED THAT WAY. IT'S SIMPLY MEANT TO PROVIDE A SORT OF TOP-LEVEL COMMITTEE -- OR BINATIONAL COMMISSION -- WHICH WILL BE A FINAL COURT OF REVIEW, IF YOU WILL, FOR QUESTIONS IN THE MILITARY SUPPLY FIELD -- INCLUDING THE TRAINING FIELD. AND I WOULDN'T WANT TO GIVE THE IMPRESSION THAT IT SIGNALS ANY RADICAL NEW DEPARTURES ON THE MILITARY SUPPLY SIDE AT ALL.

IT WILL ALSO BE A FORUM IN WHICH WE CAN TALK ABOUT THE BROADER, COMMON STRATEGIC INTERESTS OF THE UNITED STATES AND SAUDI ARABIA ON SECURITY IN THE AREA -- THE CONTEXT IN WHICH ONE MAKES DECISIONS ABOUT WHAT KIND OF MILITARY ESTABLISHMENT IS NEEDED, WHERE THE EMPHASIS SHOULD BE, AND SO FORTH.

Q I HAVE ONE QUESTION. YOU MENTIONED, CONCERNING THE MIDDLE EAST CONFLICT, THE CONSTRUCTIVE SUPPORT RECEIVED FROM THE KINGDOM DURING THE NEGOTIATIONS. COULD YOU ELABORATE ON THAT "CONSTRUCTIVE SUPPORT"?

A I WOULDN'T WANT TO GET INTO TOO MANY SPECIFICS ON THIS, EVEN ON BACKGROUND. BUT LET ME SAY IN GENERAL THAT DURING THE TIME THAT THE SECRETARY WAS NEGOTIATING THIS LAST DISENGAGEMENT AGREEMENT BETWEEN ISRAEL AND SYRIA, HE KEPT IN CLOSE TOUCH WITH OTHER LEADERS IN THE AREA WHO, BASICALLY, WERE SUPPORTIVE OF WHAT HE

WAS TRYING TO ACCOMPLISH; AND THE KINGDOM OF SAUDI ARABIA WAS ONE OF THESE, AND WE HAVE THE IMPRESSION THAT THEY WERE, IN THEIR OWN WAYS AND THROUGH THEIR OWN COMMUNICATIONS, ENCOURAGING THE KIND OF POSITIVE OUTCOME THAT FINALLY EMERGED.

"DIPLOMATIC SUPPORT" IS WHAT IS MEANT . . .

Q ON THE ECONOMIC COMMISSION -- A QUESTION SIMILAR TO MINE, ONE ON THE MILITARY COMMISSION, IS ESPECIALLY IN REGARD TO THE PROPOSAL THAT THERE ALSO BE A "U.S.-SAUDI INDUSTRIAL DEVELOPMENT COUNCIL" WITH GOVERNMENT LIMITED OFFICIAL USE
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AND PRIVATE ENTERPRISE. IS THAT NOT NEW GROUND? IS THAT NOT DESIGNED TO OVERCOME THE OBJECTIONS THAT THE U.S. HAS TROUBLE COORDINATING ITS PRIVATE AND OFFICIAL EFFORTS, AS SOME OTHER COUNTRIES HAVE BEEN ABLE TO DO IN THE MIDDLE EAST?

A THIS GOES TO THAT KIND OF A PROBLEM. THERE, OBVIOUSLY, IS A PROBLEM OF HOW YOU CAN SYNCHRONIZE AND COORDINATE AND BRING TO BEAR THE RESOURCES OF THE GOVERNMENT AND OF THE PRIVATE SECTOR. AND IT'S NOT AN ATTEMPT TO HARNESS, IN ANY WAY, DIRECT SPONTANEOUS PRIVATE SECTOR-TO-PRIVATE SECTOR RELATIONSHIPS BUT TO SUPPLEMENT THEM.

THIS IS SOMETHING WHICH WE'VE SIMPLY AGREED TO CONSIDER. IT'S NOT SOMETHING THAT THERE'S BEEN A FINAL DECISION ON ESTABLISHING AT ALL. BUT IT'S AN AREA THAT WE'VE AGREED WITH THE SAUDIS THAT WE WOULD LOOK INTO TO SEE WHETHER WE FEEL THAT IT MIGHT, IN FACT, BE A USEFUL DEVICE.

Q WE HAVE NO SUCH GROUPS WITH OTHER COUNTRIES, DO WE?

A I CAN'T SAY WITH CERTAINTY THAT WE DON'T. I'M NOT AWARE OF ANY. BUT ON A WORLDWIDE BASIS I JUST DON'T KNOW WHETHER OR NOT THERE MIGHT NOT BE SOMETHING PARALLEL

IT NEEDS A LOT MORE EXPLORATION, AND CERTAINLY NO DECISION HAS BEEN MADE THAT SUCH A COUNCIL WILL BE ESTABLISHED. WE HAVE SIMPLY IDENTIFIED THIS AS AN AREA OF POSSIBLE UTILITY.

3. FOR ALL POSTS: PLEASE NOTE PRESS ATTRIBUTION FOR ABOVE BRIEFING WAS "STATE DEPARTMENT OFFICIALS." KISSINGER

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ABU DHABI
TENRAN
CAIRO

AMMAN
DAMASCUS
ALGIERS
LONDON
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